



Small Business Council Update on DHCS SB/DVBE Program

DHCS' Mission

The mission of the California Department of Health Care Services (DHCS) is to provide Californians with access to affordable, high-quality health care, including medical, dental, mental health, substance use disorder services, and long-term care.

DHCS' Vision

Our vision is to preserve and improve the physical and mental health of all Californians.

DHCS' Customers

DHCS programs serve nearly 11.3 million Californians. One in five people in the state receive health care services financed or organized by DHCS, making the department the largest health care purchaser in California. DHCS invests more than \$90 billion in public funds to provide health care services for low-income families, children, pregnant women, seniors, and persons with disabilities, while helping to maintain the health care delivery safety net.

Contract/Purchasing Background

- DHCS is proactive in reaching out to the SB/MB and DVBE communities.
- However, due to the highly technical nature of three large complex contracts procured by DHCS, we have been unable to meet the SB/MB goal of 25% and the DVBE goal of 3%.
- DHCS has determined that only a fractional percentage of SB/DVBE use could be obtained due to the unique nature contracts which provide fiscal intermediary and enrollment functions for the Medi-Cal program.

Summary Comparison

DHCS Totals – All **Required Reportable** Goods and Services

Fiscal Year	Total Contract \$	SB/MB \$	SB/MB %	DVBE \$	DVBE %
FY 2013-14	\$ 1,069,021,018	\$ 25,203,128	2.36%	\$ 3,314,352	0.33%
FY 2012-13	\$ 1,774,475,292	\$ 22,478,492	1.27%	\$ 32,892,483	1.85%
Trend	Decreased	Increased	Increased	Decreased	Decreased

DHCS Totals – Excluding three (3) highly complex contracts

Fiscal Year	Total Contract \$	SB/MB \$	SB/MB %	DVBE \$	DVBE %
FY 2013-14	\$ 80,640,861	\$ 25,203,128	31.25%	\$ 3,314,352	4.31%
FY 2012-13	\$ 78,081,478	\$ 19,013,048	24.35%	\$ 4,122,507	5.28%
Trend	Increased	Increased	Increased	Increased	Increased

Summary Comparison

DHCS Totals – All **Required Reportable** Goods and Services

	FY 13/14 Total Contract \$	SB/MB \$	SB/MB %	DVBE \$	DVBE %
Total Contract \$	\$1,069,021,018	\$25,203,128	2.36%	\$3,314,352	0.33%
Total Contract \$ Less 3 Large	\$80,640,861	\$25,203,128	31.25%	\$3,314,352	4.31%

Comparison Highlights

- Total **required reportable** 13/14 expenditures: \$1,069,021,018
- Total **required reportable** 13/14 expenditures less 3 complex contracts: \$80,640,861
- Total of the 3 complex contract: \$988,380,157
- The 3 complex contracts equals approximately 92.45% of DHCS' annual **required reportable** 13/14 expenditures

Delta Dental of California

Term: November 1, 2004 – September 30, 2016

Agreement Total: \$7,778,565,747

Delta Dental is a fiscal intermediary which operates the California Dental Medicaid Management Information System (CD-MMIS). As part of the operation of the system, Delta Dental effectively and efficiently adjudicates dental claims, Treatment Authorization Requests (TARs) and other related documents. Delta Dental also provides services to providers, beneficiaries and federal and state partners of the system. Note: These figures include beneficiary service costs.

Maximus, Inc.

Term: April 1, 2008 – December 31, 2016

Agreement Total: \$496,022,309

Maximus is the contractor for the Health Care Options (HCO) Program. HCO is the program that enrolls and dis-enrolls beneficiaries into and out of managed care plans. In addition, Maximus operates a Telephone Call Center (TSC) and works with County health departments to provide informational materials and services to beneficiaries.

Xerox State Healthcare, LLC.

Term: May 1, 2010 – June 30, 2016

Agreement Total: \$1,684,172,034

Xerox is operates the Medicaid Management Information System (MMIS) for fee-for-service beneficiaries. Xerox adjudicates medical claims, TARs and other related documents while providing services to providers and state and federal partners. In addition to the takeover of the existing MMIS, Xerox is required to design, develop and implement a replacement MMIS in order to bring the system to a point where it is compatible with today's computer capabilities.

Outreach Efforts

- Increased the full time equivalent for the SB/DVBE Advocate position to dedicate more staff resources to establishing business relationships with the SB/DVBE community.
- Developed a contact list of primary DHCS Program staff that are responsible for commodity purchases to share with firms seeking to do business with DHCS.
- DHCS makes every attempt to attend all DGS sponsored or supported SB/DVBE outreach events, advocate meetings and forums

Conclusion

DHCS is committed to continuing its efforts to reach out to the SB/MB and DVBE communities to make every effort in achieving the statewide goals of 25% for SB and 3% for DVBE.

Due to the complexity of the three high dollar contracts outlined in this presentation, it is not feasible for DHCS to attain the statewide goals. However, after the removal of these contracts, DHCS would have surpassed the statewide goals of 25% for SB and 3%, thereby meeting the goals.